



SOCIETE
DE LA
TOUR EIFFEL



2013 annual results

19th March 2014

Main achievements 2013

Stated 2013 objectives	Achieved
✓ Securing rental income	<ul style="list-style-type: none"> ■ Pre-letting Montrouge - 6 years - € 1.8m ■ New leases / extensions – Total amount: € 9.2m
✓ Asset disposals (€ 200m over two years)	<ul style="list-style-type: none"> ■ Total over one year: € 190m
✓ Leverage below 50% LTV	<ul style="list-style-type: none"> ■ 46.7%
✓ Acquisition pipeline	<ul style="list-style-type: none"> ■ Identified, one transaction under negotiation
✓ Reduction in corporate expenses	<ul style="list-style-type: none"> ■ - 10% recurring operating costs (EPRA)



Agenda

- I. Strategic plan: progress as at 31 December 2013
- II. 2013 annual results
- III. Appendix



I // Strategic Plan

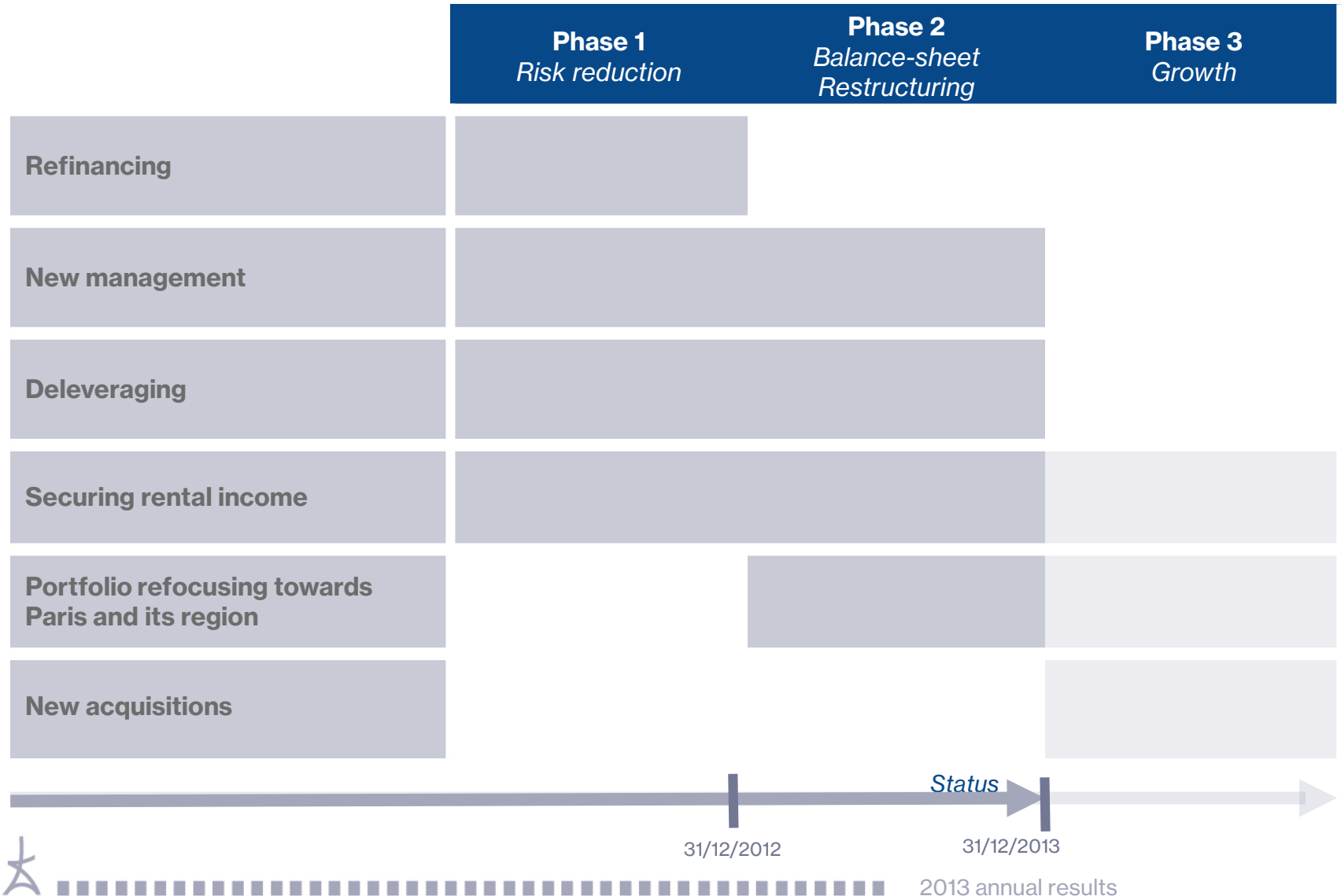


Strategy: a pure Paris (ex-CBD) office player

Pure Paris (ex-CBD) office player	<ul style="list-style-type: none">■ Matching tenants requirements:<ul style="list-style-type: none">■ <i>Flexibility / Savings</i>■ <i>Modernity / Location</i>■ Preserving 6.5-7.0% yield■ More resilient capital values
Value-added angle	<ul style="list-style-type: none">■ Value creation opportunities: historically high risk premium for secondary assets■ Built on a proven track record (over 8 years, € 280m invested for a 47% margin)
Enhanced risk profile	<ul style="list-style-type: none">■ 85-95% income yielding assets and 5-15% value-added■ LTV \leq 45%■ Highly experienced team with strong collective track record



Implementation of the strategic plan



Achieved strategic turnaround

	Before 31.12.2011	Today
Portfolio	<ul style="list-style-type: none"> ■ Offices Paris: 54% ■ Other types: 46% ■ Total: € 999m 	<ul style="list-style-type: none"> ■ Offices Paris: 69% ■ Other types: 31% ■ Total: € 701m
Debt <ul style="list-style-type: none"> ■ LTV ■ Duration ■ Cost 	<ul style="list-style-type: none"> ■ 58% ■ 2.2 years ■ 3.5% 	<ul style="list-style-type: none"> ■ 47% ■ 4.4 years ■ 3.8%
Occupancy rate	<ul style="list-style-type: none"> ■ 91% 	<ul style="list-style-type: none"> ■ 94%
Rental income	<ul style="list-style-type: none"> ■ € 69m 	<ul style="list-style-type: none"> ■ € 61.5m (+ 4% LFL annualized over two years)
Net initial yield EPRA	<ul style="list-style-type: none"> ■ 6.5% 	<ul style="list-style-type: none"> ■ 7.0%

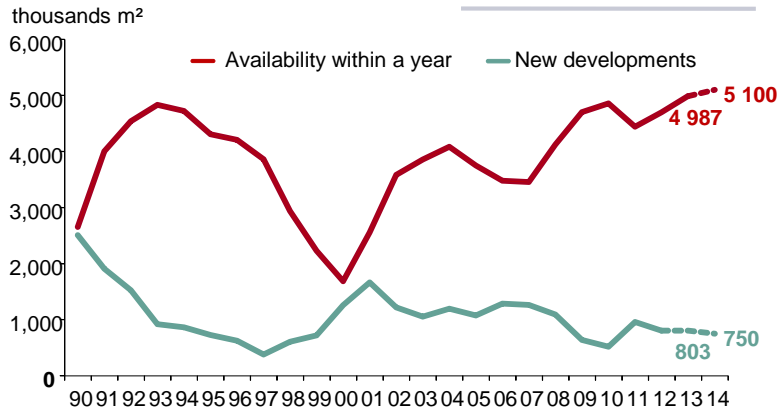




Outlook

Paris office market dynamic

Paris region office supply

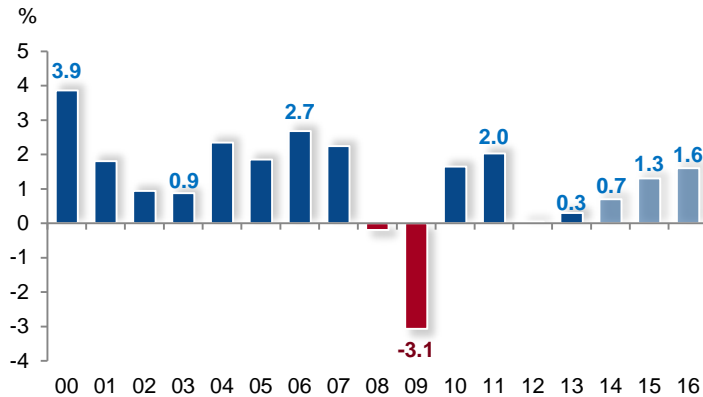


Source : BNP Paribas Real Estate, Immostat

Over supply

5m sq.m available
2.5 year of gross take-up
7.5% vacancy

French Gross Domestic Product



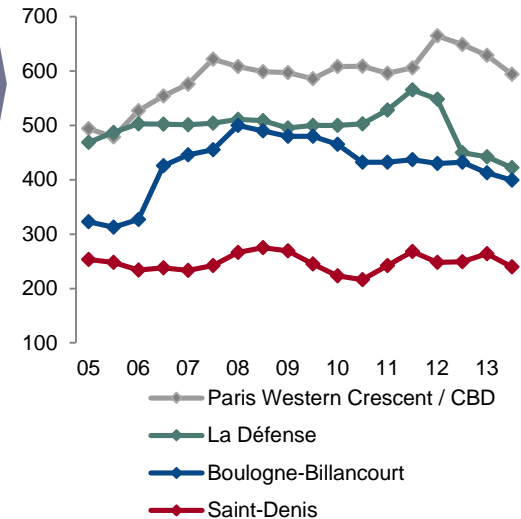
Source : INSEE, Forecast BNP Paribas

No economic growth

Economic activity bottoming out
Yet too sluggish to resolve 10% + unemployment rate

Falling rental values

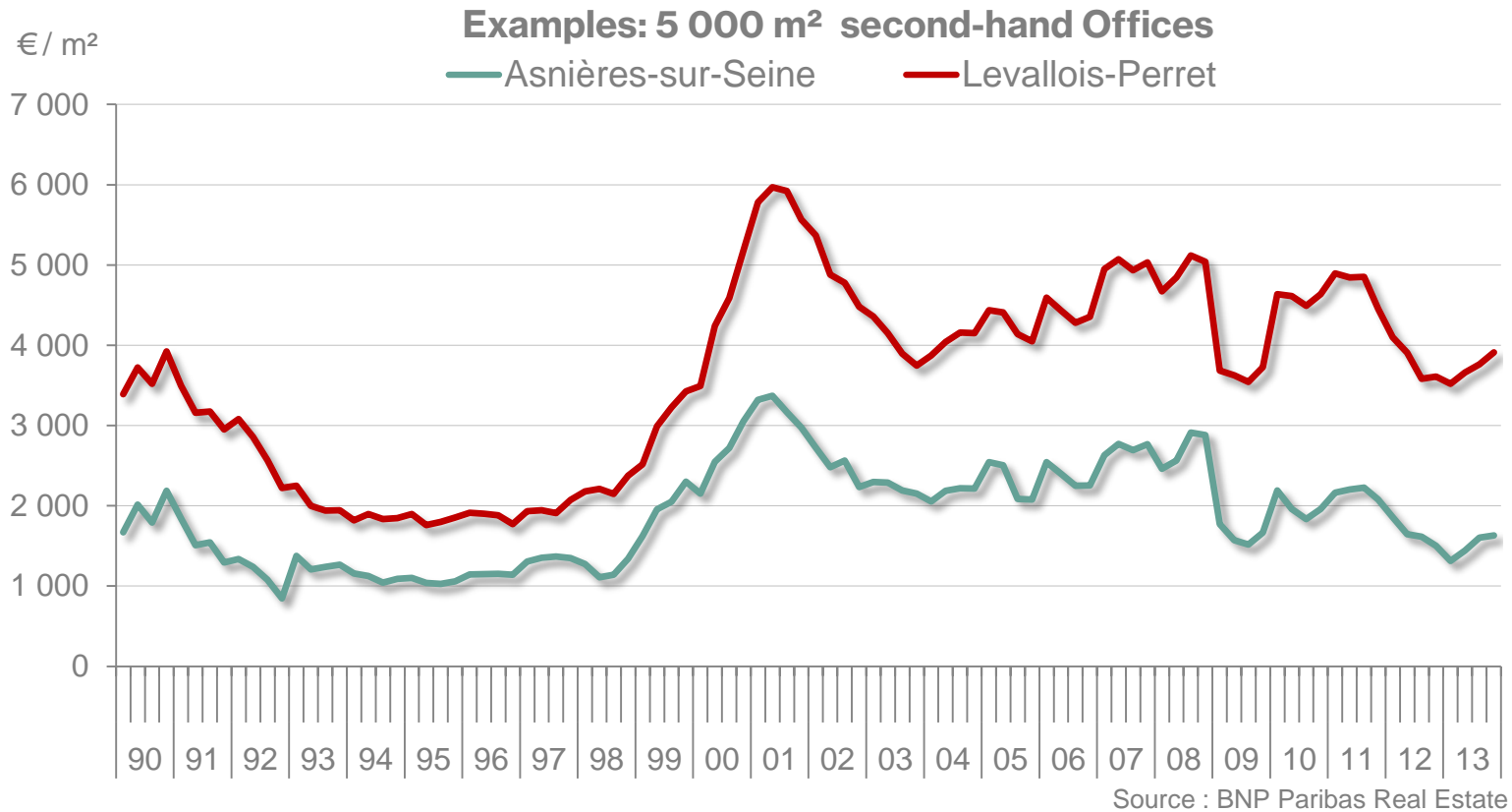
Average rent of new space
(not allowing for incentives)
in € m² / year



Source Keeps



Investment: opportunity

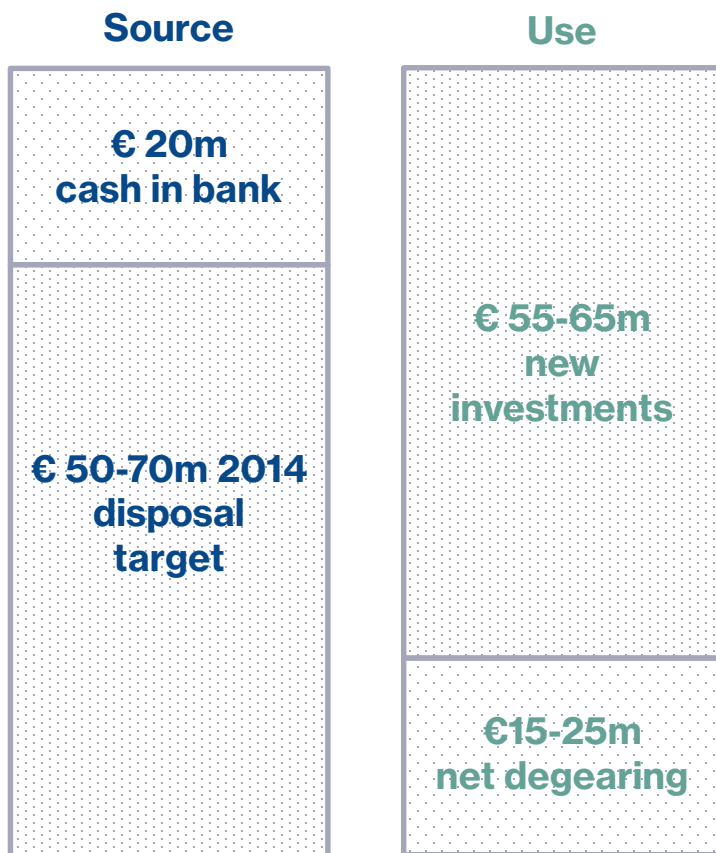


- Price now established on the basis of the Estimated Rental Value rather than on passing rents
 - ⇒ Pricing nearing historical lows
 - ⇒ Prudent investment approach to seize opportunities



Growth: funding scenarios

Option 1: self-financing



Option 2: change in shareholding structure

Capital increases

SMABTP tender offer open

Offer closing to be disclosed by French Stock Market regulator (AMF)



Conclusion

1. Strategy launched in 2012
 - ➔ Implemented to anticipate upcoming market rebound
2. Results delivered ahead of schedule
 - ➔ Accomplished restructuring of the balance sheet a year ahead of schedule
 - ➔ Portfolio refocusing on-going
3. Change in shareholding structure
4. Company ready to seize opportunities as market bottoms up



Massy – Power Park development project

© Lan



II // 2013 annual results

- 
1. Portfolio
 2. Financial results



II.1 Portfolio

Rents and tenants demand under strong pressure

Paris retains its level of attractiveness for investors

Significant contraction of gross take up in the Paris region (IdF) (-25%)

- ❑ Overall vacancy rate slight increase to 7.5% (+9%) with rising concerns on certain areas such as La Défense (12.5%) or the Western crescent (12%)
- ❑ Collapse of large-sized lettings (-45%)
- ❑ Tenants continue to be motivated by cost cuttings and landlords significant concessions (15 to 25% average discount on annual rent)
- ❑ But leases renegotiation privileged by tenants to avoid the costs of relocation

Investment market appeals to broader pool of investors

- ❑ French investment volumes remain stable (€ 15.5bn)
- ❑ Investors still focused on the core market but yields at their lowest
- ❑ Slight increase towards the Core + and value-added products given competition and multiplicity of actors in the market
- ❑ Return of the opportunistic investors on some major transactions



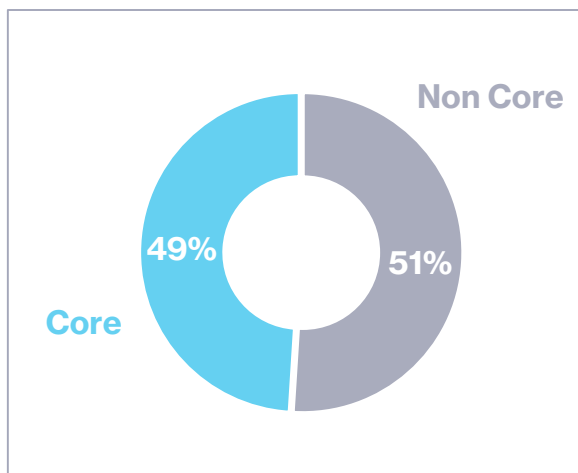
Asset disposals ahead of target

	Achieved	Last appraisal value	
Portfolio as at 31.12.2012		€ 915M	
Business Parks <ul style="list-style-type: none"> ■ Bordeaux - Mérignac ■ Le Bourget ■ Lille-Villeneuve d'Ascq ■ Lyon - Vénissieux ■ Montpellier (partly) 	€ 133.6m <ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓ 	€ 135.3m	
La Poste <ul style="list-style-type: none"> ■ Caen ■ Orléans ■ Vannes ■ Vitrolles 	€ 33.2m <ul style="list-style-type: none"> ✓ ✓ ✓ ✓ 	€ 32.2m	
Others <ul style="list-style-type: none"> ■ Amiens ■ Caen Colombelles (1 building) ■ Grenoble Polytec ■ Herblay ■ Ludres 	€ 23.6m <ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓ 	€ 22.6m	
TOTAL 2013	€ 190.4m	€ 190.1m	+0.2% / GAV
Portfolio as at 31.12.2013		€ 701m	

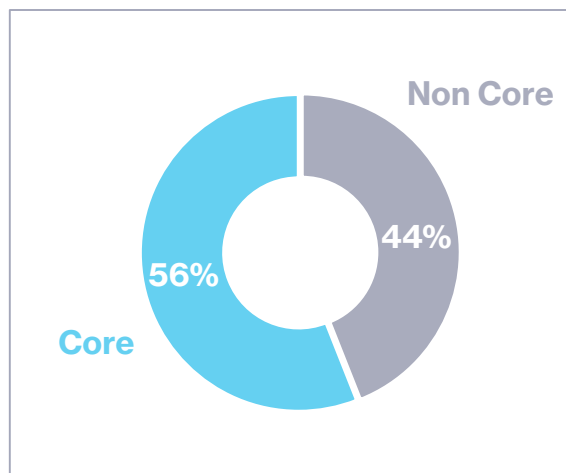


Portfolio refocused on Paris and its region

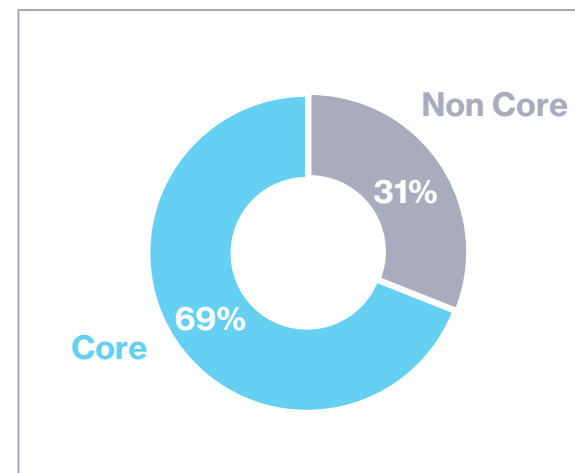
December 2012



June 2013



December 2013

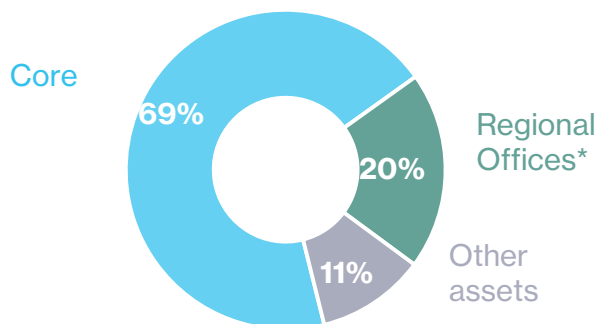


- Core : Office buildings located in the Paris region
- Non core : Other buildings



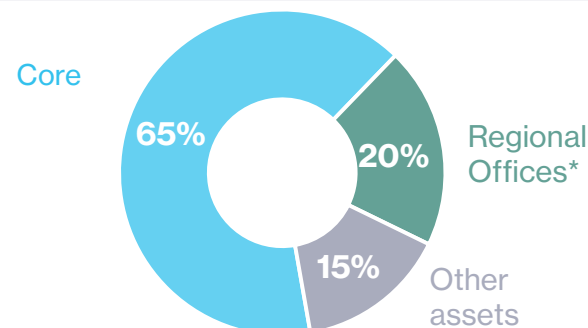
Portfolio as at 31.12.2013

By value € 701m



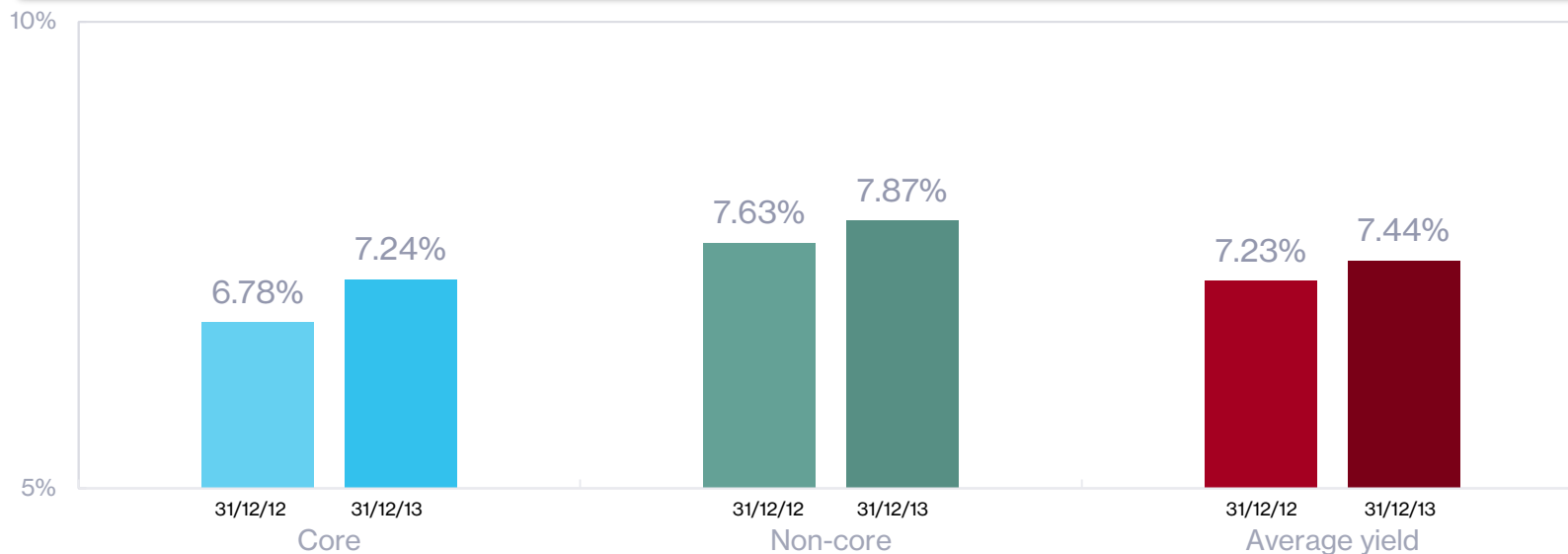
* Including Parcs Eiffel in the regions

By rents in place € 54.8m



* Including Parcs Eiffel in the regions

EPRA Topped-up NIY yield



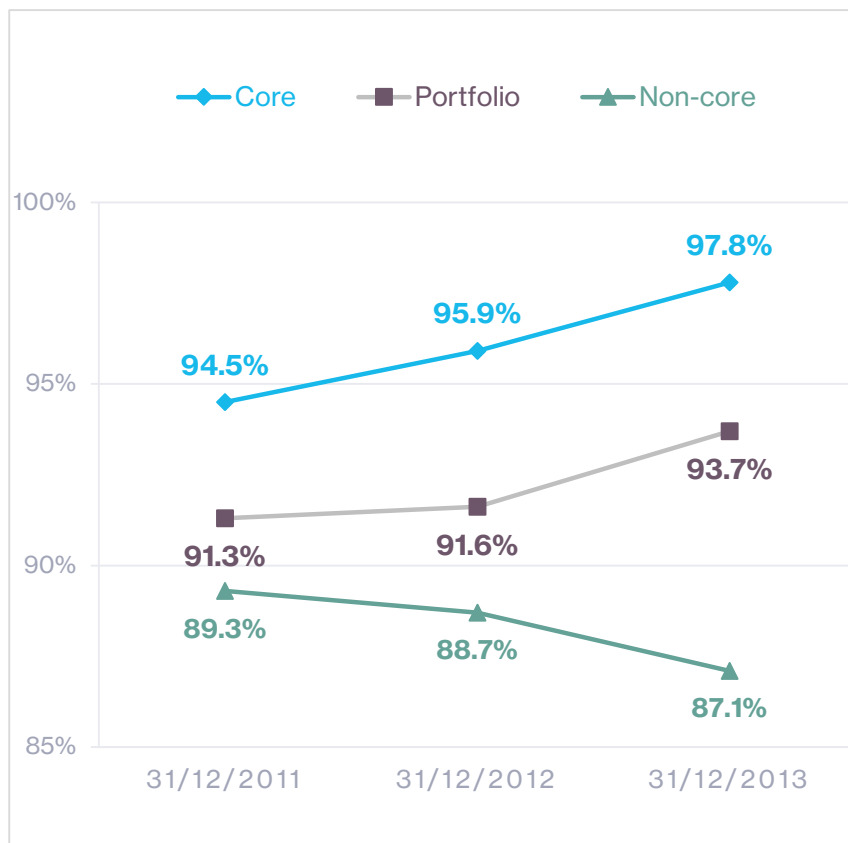
Vélizy – Topaz

© Tristan Deschamps



Occupancy rate in progress

EPRA occupancy rate



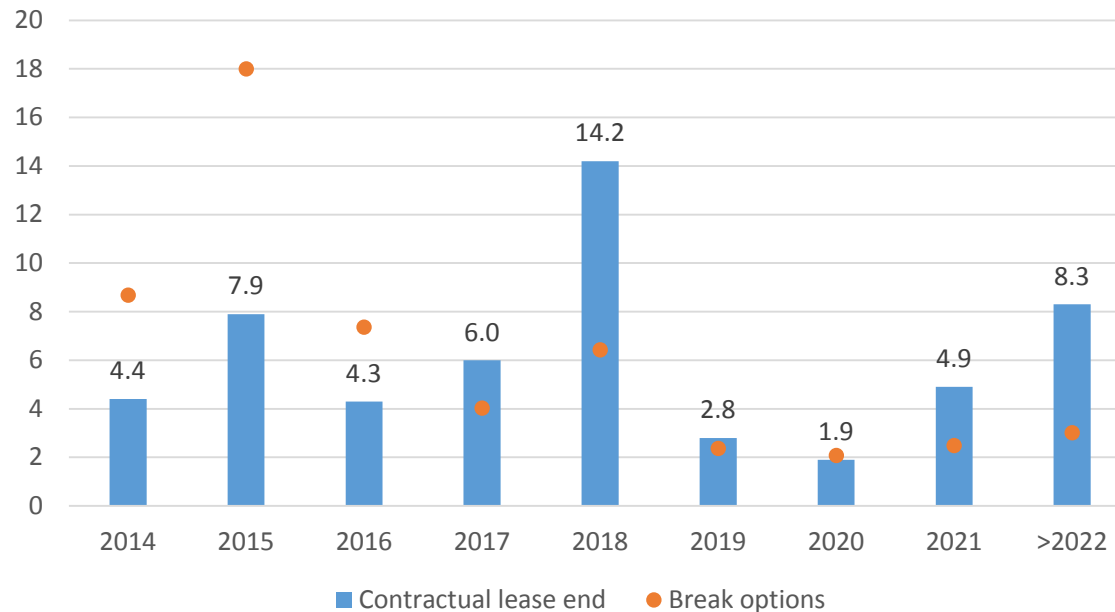
Main rental transactions

- ❑ **Eiffel O² Montrouge** : € 1.8m - 5 300 m² (6 year-closed lease)
 - ❑ Poste Immo
- ❑ **Other new tenants**: € 1.9m – 19 000 m²
- ❑ **Lease renewals**: € 7.3m - 73 000 m²
 - ❑ Atos –Aubervilliers (7 years)
 - ❑ Eurial – Nantes (6 years)
 - ❑ La Poste – Vannes (6 years)
 - ❑ La Poste – Les Souhesmes (6 years)
 - ❑ PTC – Aix (6 years)
 - ❑ Veritas – Aix (4 years)
 - ❑ Leosphère – Orsay



Solid rental income

Portfolio lease maturity in €m of rents



- ❑ Lease renewal rate (excluding new leases) : 85%
(break periods from 30/06/2013 to 30/06/2014)
- ❑ Estimated Rental Value: 7% below passing rents
- ❑ Average rental level for offices in the Paris region: STE: € 229/m², market: € 300/m²
- ❑ Tenants moving intentions undermined by relocation costs and social-side effects



Outlook: land bank / acquisitions

Land bank

		Previous / Existing entitlement	Target entitlement	Status
Massy	Offices Residential Value	49 600 m ² 0 m ² € 25.0m	60 000 m ² 13 500 m ² € 29.7m	Land development completed Planning permission obtained (35 000 m ² offices) + 20% value creation
Orsay	Offices Residential	10 000 m ² 0 m ²	80 000 m ² 0 m ²	Land development in process
St-Cloud	Offices Residential	4 100 m ² * 0 m ²	7 000 m ² 2 500 m ²	Under study

*Offices and light industrial

Acquisition pipeline

	Location	Investment	Rents/year	Typology
Asset A	Paris Inner rim	Circa € 25m	Circa € 2m	Office - Long-term lease
Asset B	Paris South-East	Circa € 39m	Circa € 3m	Office – Multi-tenants



A dynamic environmental policy

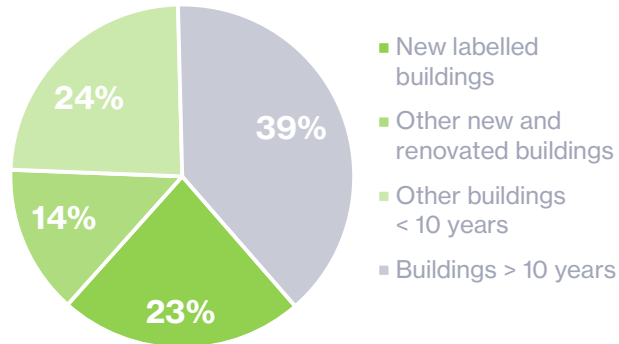
- ❑ Comprehensive mapping of core portfolio
- ❑ Sustainability strategy analyzed and implemented with stakeholders
- ❑ Sustainability roadmap conceived around 3 dimensions and 21 commitments: portfolio - assets - corporate
- ❑ Active involvement in market-led initiatives:
 - ❑ Adherence to the Sustainable Building Plan
 - ❑ Participation in principal benchmarks and associations: EPRA, GRI, GRESB, OID



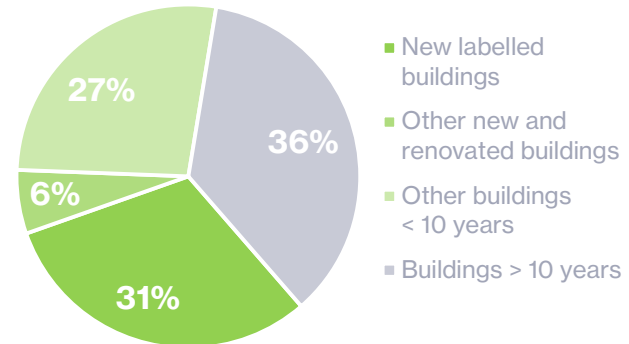
A structured environmental policy

❑ Portfolio dimension (portfolio profile)

2012 : Buildings < 10 years: 61%



2013 : Buildings < 10 years: 64%



❑ Assets dimension

In 2013, first two certifications BREEAM in use for asset and building management targets

- Le Domino / Porte des Lilas Paris: level Good
- Le CityZen / Rueil (92): level Good

❑ Corporate dimension (carbon footprint)

- 2012: 3 tCo2e by worker
- 2013: 2.8 tCo2e by worker on a like-for-like basis, ie a 6% decrease



Montrouge – Eiffel O₂

© PlanaSphère





II.2 Financial results

Key figures

Balance sheet restructuring and strong operating performance

	2013	2012
Portfolio valuation excl. Transfer costs	€ 701	€ 915m
Net financial debt	€ 327m	€ 512m
Net LTV	46.7%	55.9%
EPRA NNAV (in €/share*)	58.1	62.2
Rental income	€ 61.5m	€ 69.5m
<i>LFL growth</i>	<i>3.3%</i>	<i>4.5%</i>
<i>EPRA financial occupancy rate</i>	<i>93.7%</i>	<i>91.6%</i>
Current EPRA operating result	€ 47.3m	€ 53.7m
<i>% rents</i>	<i>77.0%</i>	<i>77.3%</i>
EPRA earnings	€ 28.0m	€ 34.0m
IFRS net result (Group share)	-€ 1.9m	-€ 6.1m
Recurring cash flow	€ 29.5m	€ 35.7m
<i>in €/share*</i>	<i>4.7</i>	<i>5.8</i>

- Massive deleveraging
- Impact of active disposal program

- LFL rental growth
- Occupancy rate improvement
- Flat recurring operating margin (EPRA)

(*) number of shares: 6 253k as at 31 December 2013 and 6 111k as at 31 December 2012, i.e a 2.3% dilution



EPRA key indicators

Resilience of the operating performance in a strongly evolutive context

	31/12/2013	31/12/2012
EPRA earnings	€ 28.0m	€ 34.0m
EPRA net initial yield	7.0 %	7.1 %
EPRA topped-up net initial yield	7.4 %	7.2 %
	31/12/2013	31/12/2012
EPRA vacancy rate	6.3 %	8.4 %
NAV per share	59.6 €	65.4 €
NNNAV per share	58.1 €	62.2 €



Consolidated P&L account (EPRA and IFRS)

Active restructuring of the real estate portfolio, impact of non-recurring costs

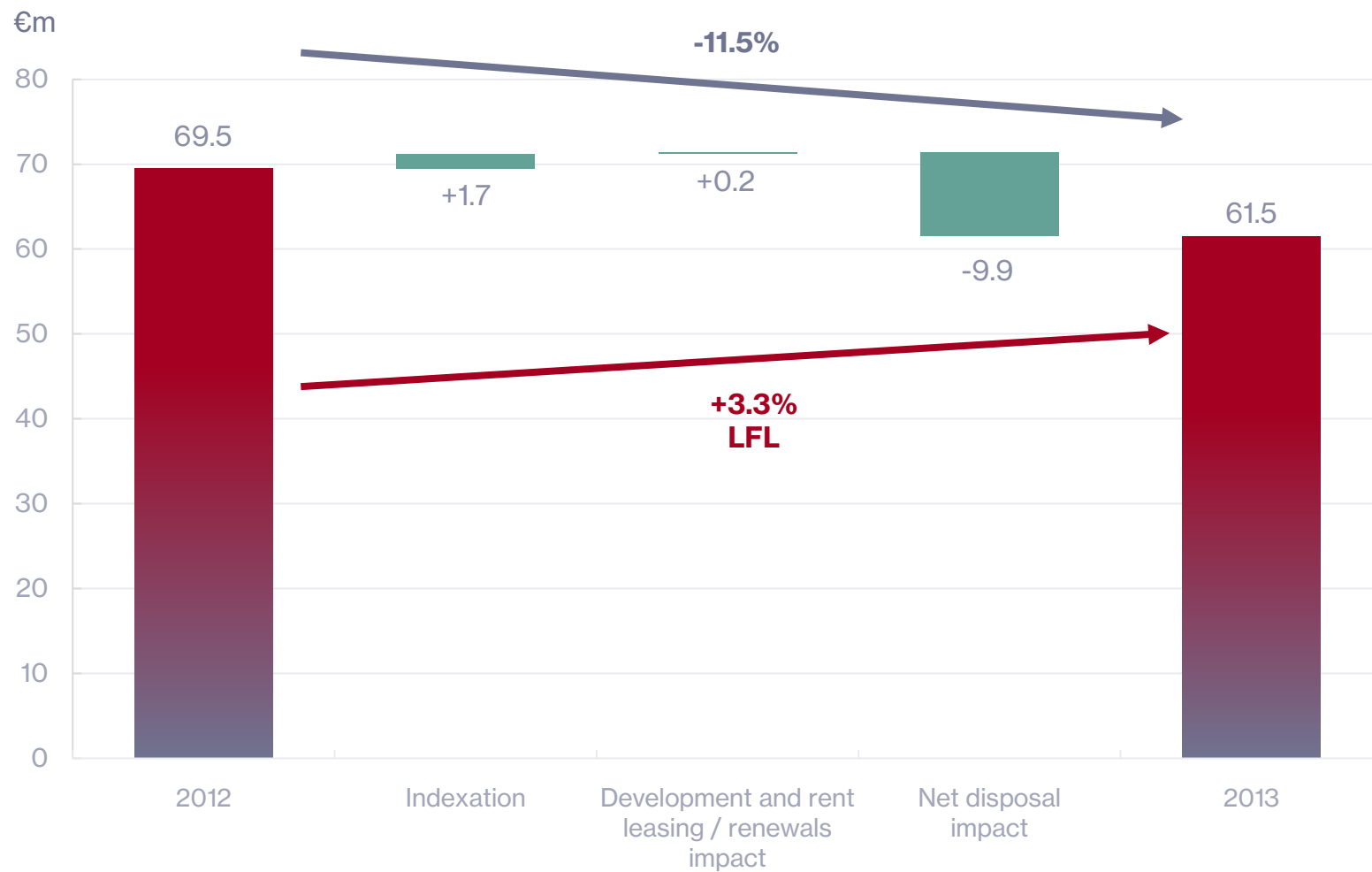
in €m	31/12/2013			31/12/2012			Var. EPRA (%)
	EPRA recurring result	Non recurring	IFRS result	EPRA recurring result	Non recurring	IFRS result	
Rents	61.5		61.5	69.5		69.5	-11.5%
Property operating expenses (*)	-9.6	-1.8	-11.4	-10.7	-0.4	-11.1	
Corporate expenses	-4.6	-1.8	-6.4	-5.1	-1.0	-6.1	
Current operating income	47.3	-3.6	43.7	53.7	-1.4	52.3	-11.9%
% rents	77.0%		71.1%	77.3%		75.3%	
Proceeds from disposals		0.5	0.5		-1.2	-1.2	
Property fair value adjustment		-35.0	-35.0		-30.0	-30.0	
Other operating income and expenses	0.0	0.2	0.2	0.2	1.4	1.6	
Operating income	47.4	-38.0	9.3	53.9	-31.2	22.7	-12.2%
% rents	77.1%		15.2%	77.6%		32.7%	
Net finance costs	-19.3		-19.3	-19.7		-19.7	
Other financial income and expenses		8.2	8.2		-8.6	-8.6	
Net financial result	-19.3	8.2	-11.1	-19.7	-8.6	-28.3	-2.1%
Tax	-0.1		-0.1	-0.2	-0.3	-0.5	
Net profit/loss (Group share)	28.0	-29.9	-1.9	34.0	-40.1	-6.1	-17.6%
% rents	45.5%		-3.1%	48.9%		-8.7%	

(*) including Asset Management costs



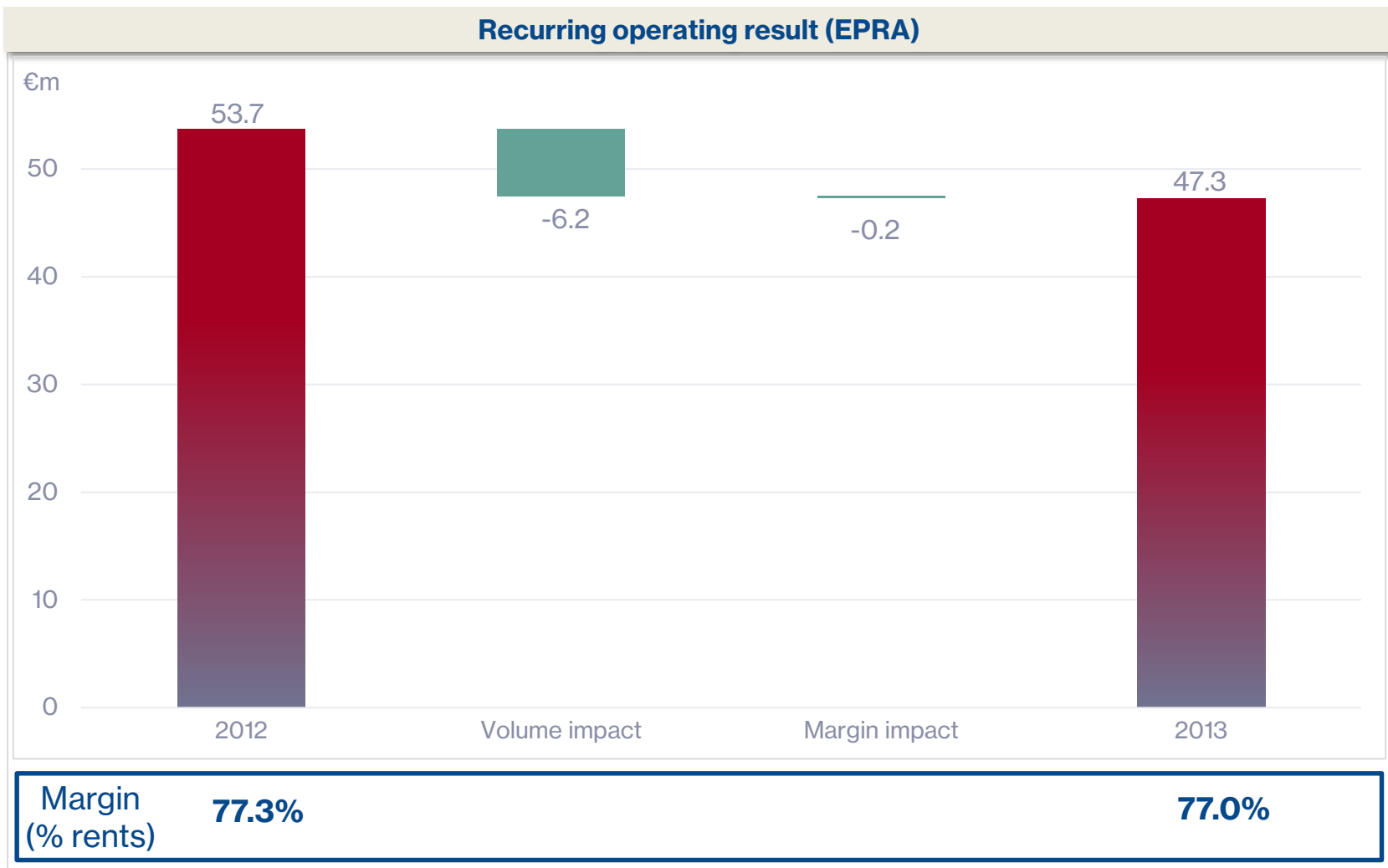
Rents

+ 3.3% on a like-for-like basis



EPRA recurring operating result

Stable margin



Operational costs: sharp reduction program

In line with H2 2014 objective

EPRA costs* in €m

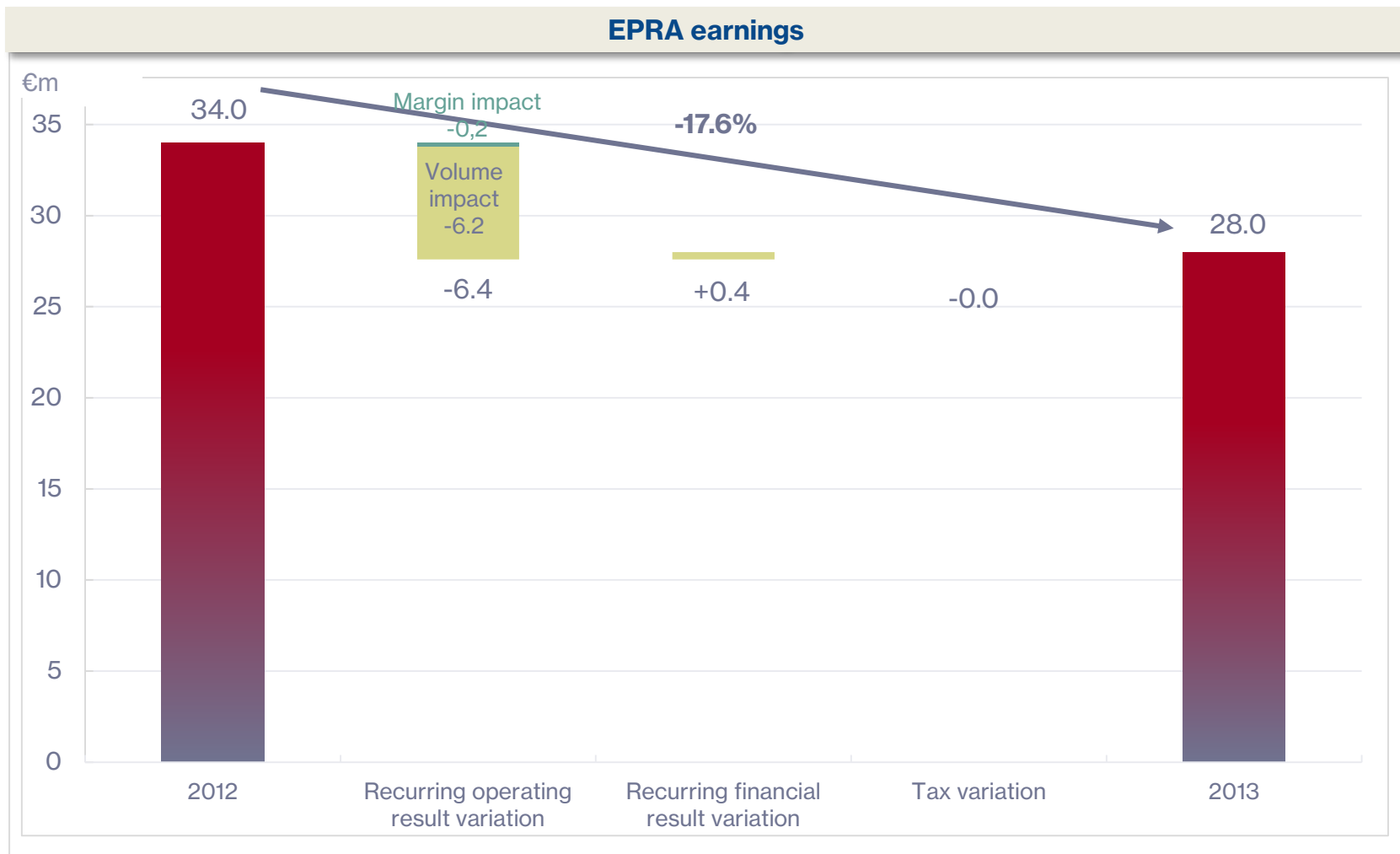
53% of 2014 target



*costs excluding the non-recurring costs



Recurring net profit



Consolidated balance sheet

Illustration of the deleveraging and refocusing strategy

Assets	(in €m)	31/12/2013	31/12/2012	
Investment properties		692.4	872.8	-23% Assets
Assets earmarked for disposal		8.6	42.6	
Other fixed assets		4.1	2.4	
Receivables		31.7	33.7	
Cash and equivalent		21.7	3.2	
Total Assets		758.5	954.7	

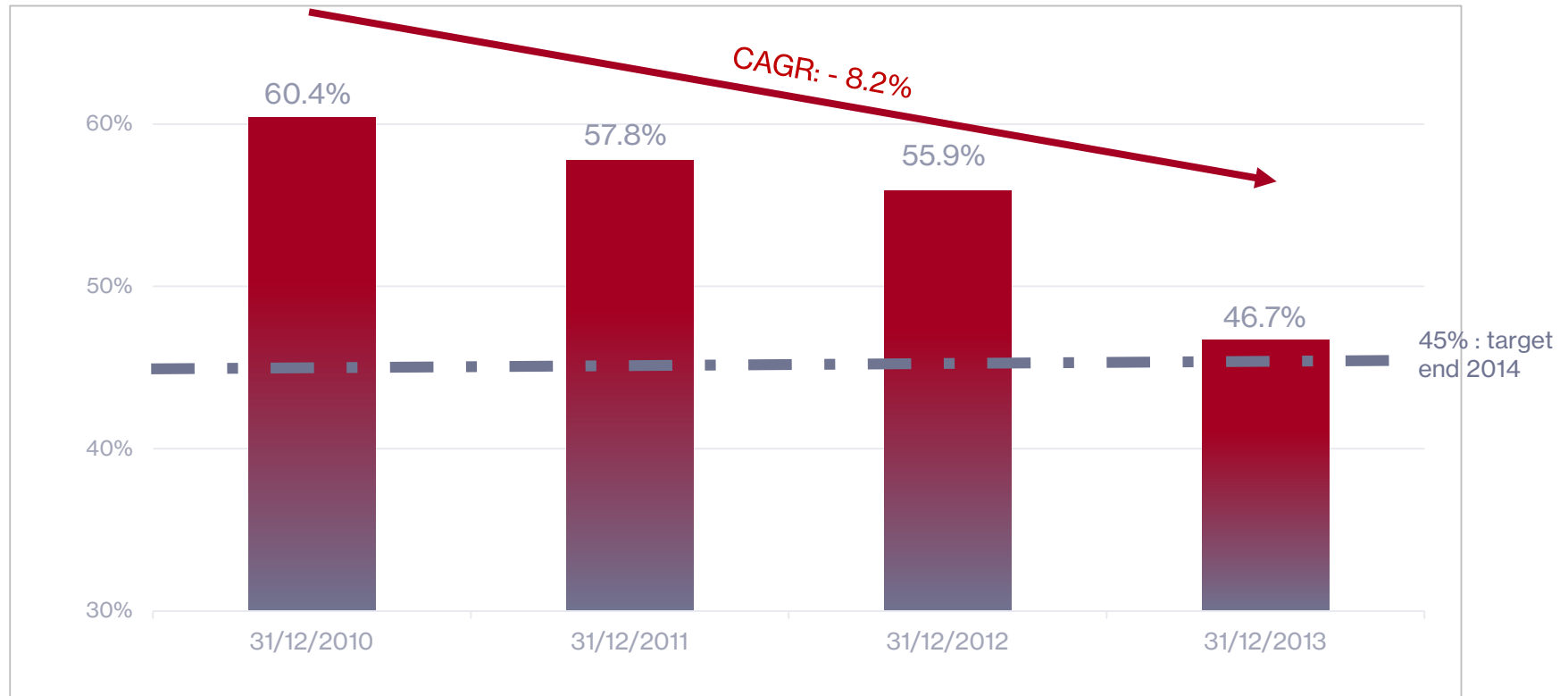
Liabilities	(in €m)	31/12/2013	31/12/2012	
Share capital and reserves		356.2	370.7	-36% Net debt
<i>of which Result</i>		-1.9	-6.1	
Long term debt		348.5	514.6	
Other liabilities		53.8	69.4	
Total Equity and Liabilities		758.5	954.7	



Debt profile

Close to 2014 target, a year ahead of schedule

Net financial debt - LTV

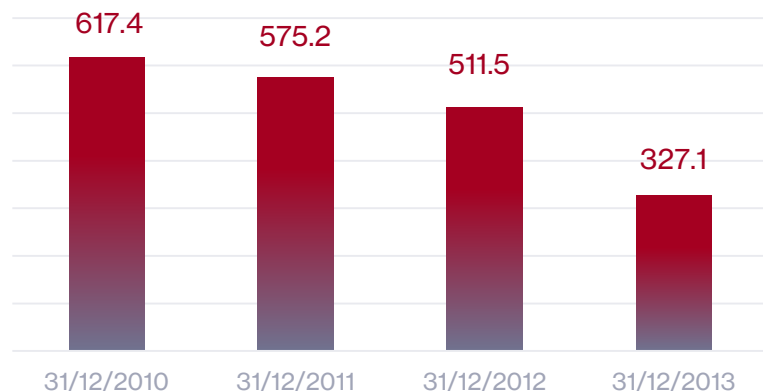


Financial debt

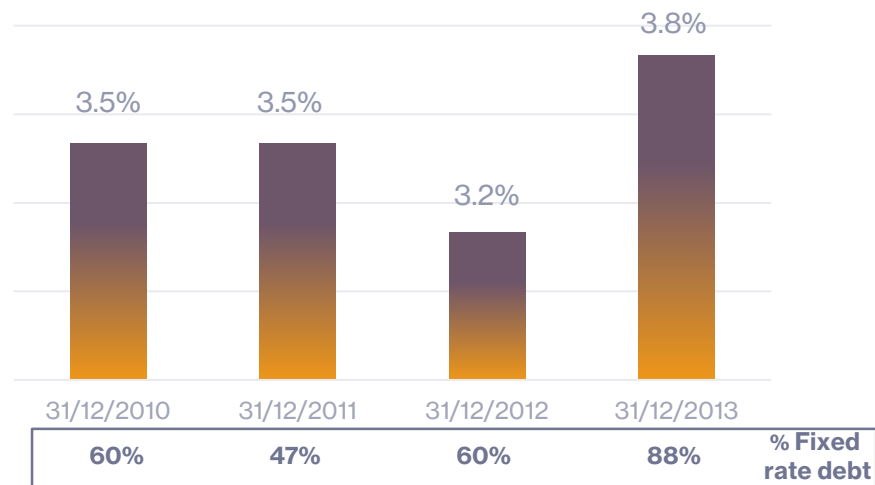
Key features

Net financial debt

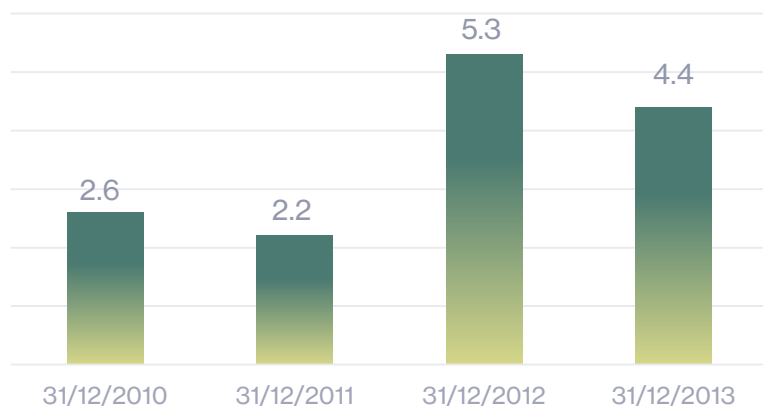
In €m



Rate

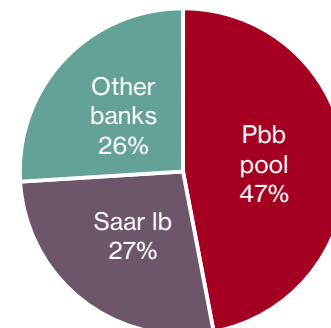


Maturity (years)



Other key features

- ☐ 100% asset-backed debt
- ☐ Hedging: 100%
- ☐ Debt facilities, total : € 348.5m (IFRS)



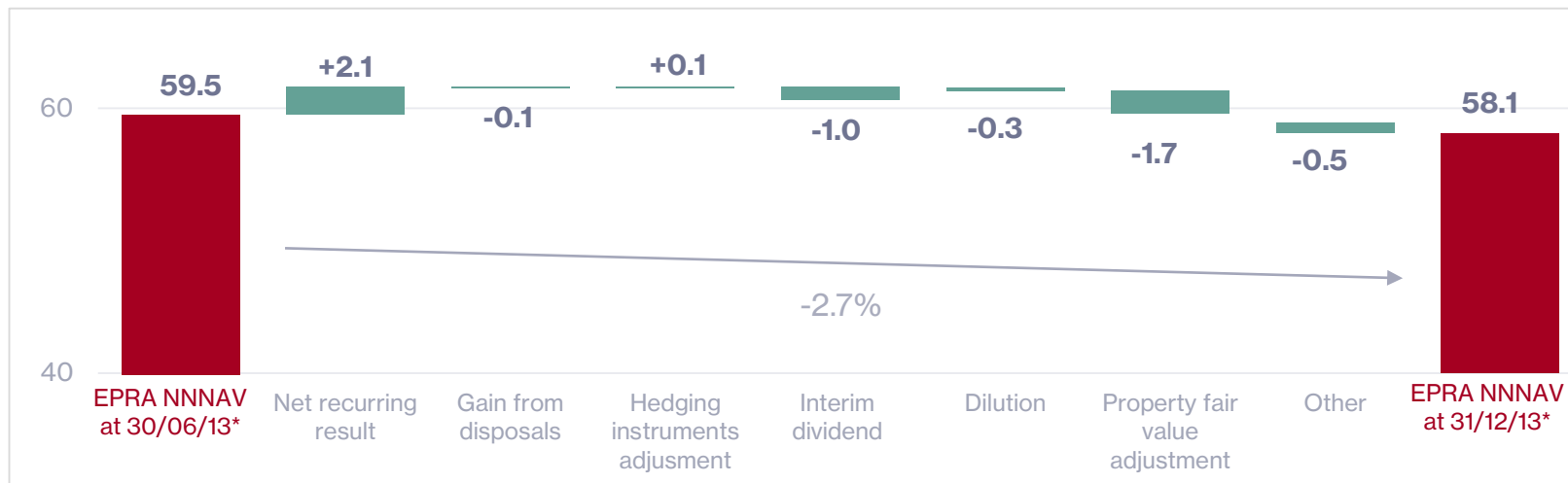
* also including Crédit Foncier, CA CIB, Société Générale and SCOR



NNNAV variation per share (in €)

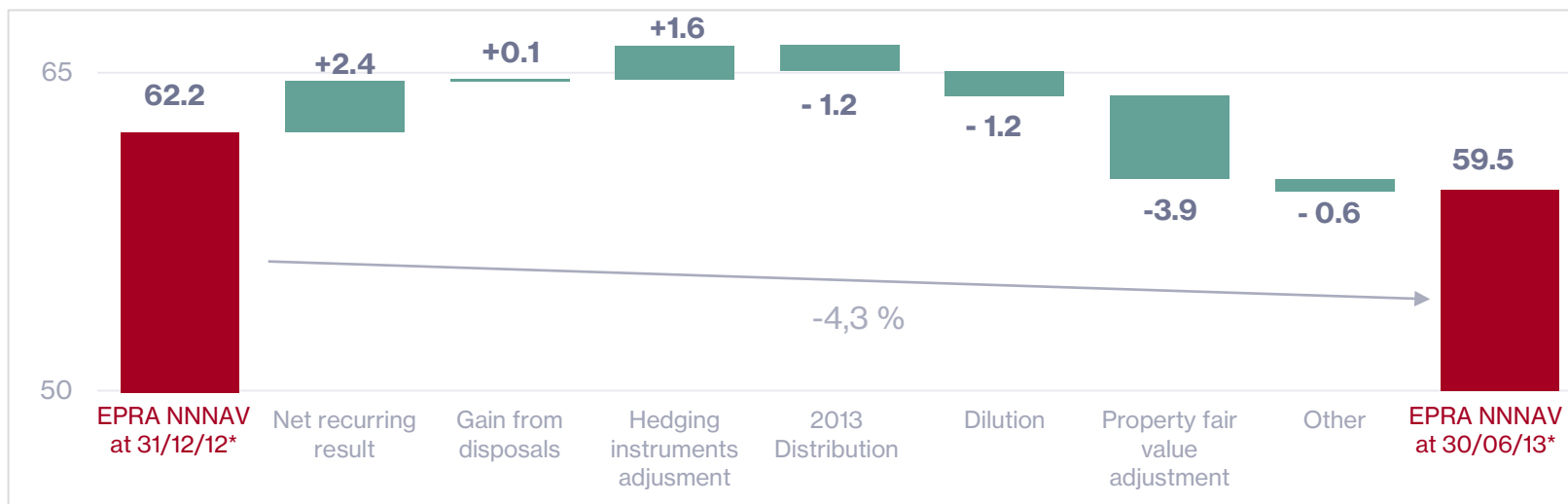
Contained evolution during H2 2013

H2



* Post-dilution total shares outstanding: 6 194 776 as at 30/06/2013 and 6 227 986 as at 31/12/2013

H1



* Post-dilution total shares outstanding: 6 194 776 as at 30/06/2013 and 6 079 909 as at 31/12/2012



2013 annual results

Dividend

2013 dividend

❑ 2013 interim dividend (paid-up on 17 October 2013)	€ 1.20
❑ 2013 final pay-out (to be submitted to Annual General Meeting)	€ 2.00
	<hr/>
❑ Total	€ 3.20
	<hr/>

2013 dividend payments

❑ 2012 final pay-out (June 2013)	€ 2.10
❑ 2013 interim dividend (October 2013)	€ 1.20
	<hr/>
❑ Total	€ 3.30
	<hr/>
❑ 2013 Total Shareholder's Return	16.6%



Rueil-Malmaison - CityZen

© Paul Maurer



2014 objectives

Launch phase 3 (investment) a year ahead of schedule

Assets

1. Acquisition of new assets financed by the disposal of non-core assets or new capital
2. Pro-actively extend leases

Leverage

Further reduce LTV by year-end 2014 to circa 45%

P & L

Benefit from the cost control plan



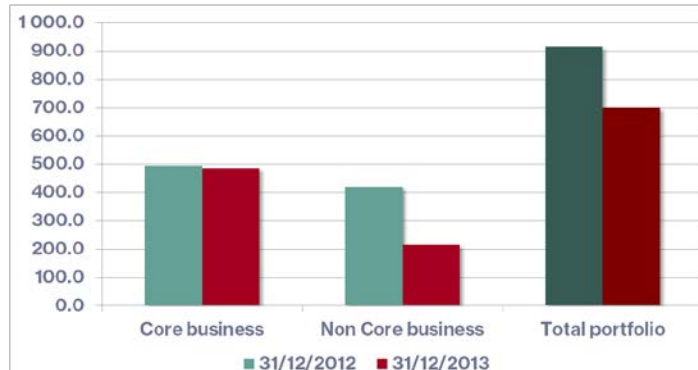
III // Appendix



Value variation by core/non core breakdown

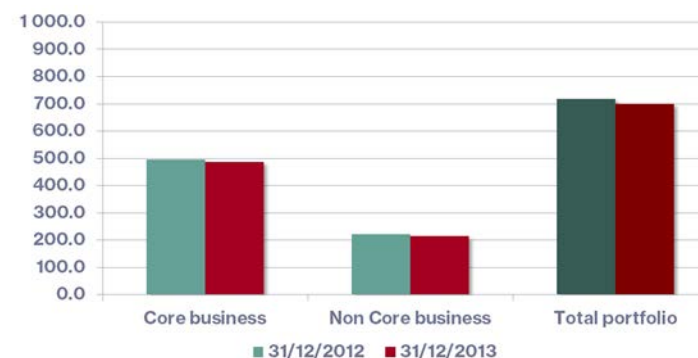
Portfolio IFRS value

in €m	31/12/2013	31/12/2012	Difference 2013/2012	%
Offices Paris-IdF	485.7	495.5	-9.8	-2.0%
Core business	485.7	495.5	-9.8	-2.0%
Regional Offices	141.6	308.6	-167.0	-54.1%
Other assets	73.8	111.3	-37.6	-33.7%
Non Core business	215.3	419.9	-204.6	-48.7%
Total portfolio	701.0	915.4	-214.4	-23.4%



Portfolio IFRS value on a like-for-like basis 2013 - 2012

in €m	31/12/2013	31/12/2012	Difference 2013/2012	%
Paris-IdF Offices	485.7	495.5	-9.8	-2.0%
Core business	485.7	495.5	-9.8	-2.0%
Regional Offices	141.6	146.8	-5.3	-3.6%
Other assets	73.8	75.3	-1.6	-2.1%
Non Core business	215.3	222.2	-6.8	-3.1%
Total portfolio	701.0	717.6	-16.6	-2.3%



LFL portfolio value variation = -2.3%

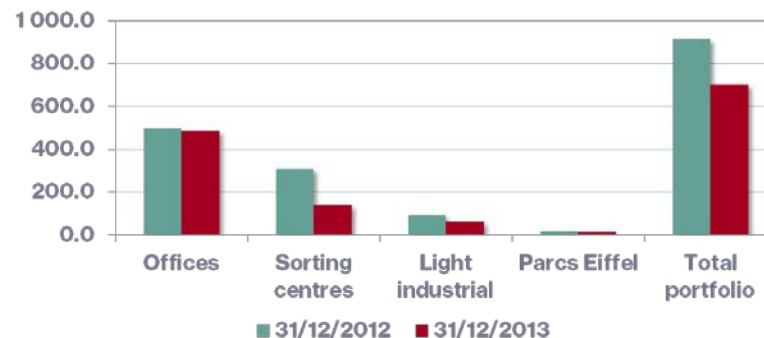
Disposals during 2013 : €190m



Value variation by type of assets

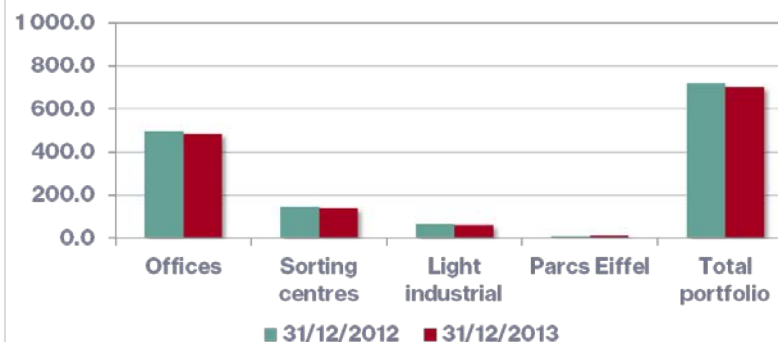
Portfolio IFRS value

in €m	31/12/2013	31/12/2012	Difference 2013/2012	%
Offices	485.7	495.5	-9.8	-2.0%
Sorting centres	141.6	308.6	-167.0	-54.1%
Light industrial	62.1	93.2	-31.1	-33.3%
Parcs Eiffel	11.6	18.1	-6.5	-35.7%
Total portfolio	701.0	915.4	-214.4	-23.4%



Portfolio IFRS value on a like-for-like basis 2013 - 2012

in €m	31/12/2013	31/12/2012	Difference 2013/2012	%
Offices	485.7	495.5	-9.8	-2.0%
Sorting centres	141.6	146.8	-5.3	-3.6%
Light industrial	62.1	64.9	-2.7	-4.2%
Parcs Eiffel	11.6	10.5	1.2	11.3%
Total portfolio	701.0	717.6	-16.6	-2.3%



LFL portfolio value variation = -2.3%

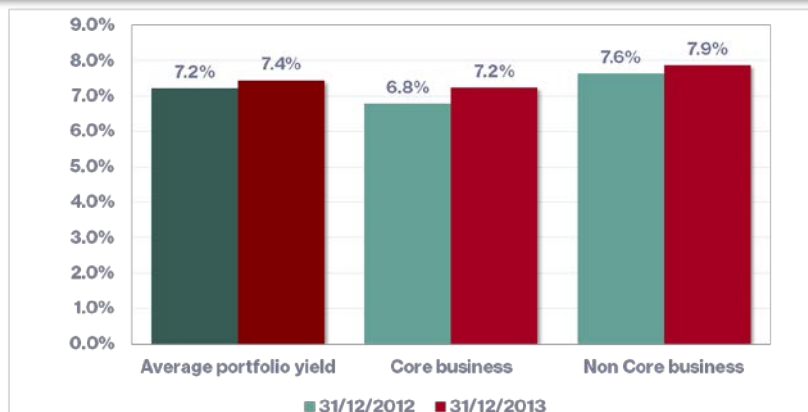
Disposals during 2013 : € 190m



Core / non core portfolio EPRA yield

EPRA topped-up yield*

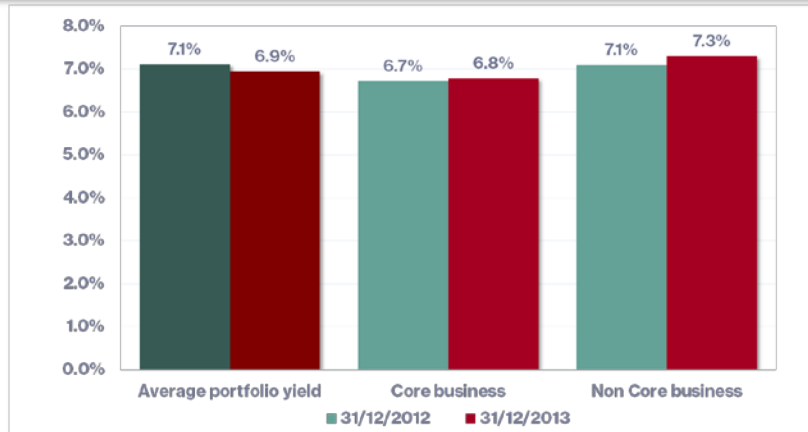
EPRA Topped-up yield	31/12/2013	31/12/2012
Average portfolio yield	7.4%	7.2%
Offices Paris-IdF	7.2%	6.8%
Core business	7.2%	6.8%
Regional Offices	7.1%	7.1%
Other assets	9.2%	8.6%
Non Core business	7.9%	7.6%



(*) EPRA topped-up yield (Net Initial Yield EPRA topped-up) : annual rent as at 31 December, not adjusted for the rental concessions, net of service charges, divided by the portfolio valuation, transfer costs included

EPRA yield**

EPRA yield	31/12/2013	31/12/2012
Average portfolio yield	6.9%	7.1%
Offices Paris-IdF	6.8%	6.7%
Core business	6.8%	6.7%
Regional Offices	6.6%	7.0%
Other assets	8.6%	8.4%
Non Core business	7.3%	7.1%



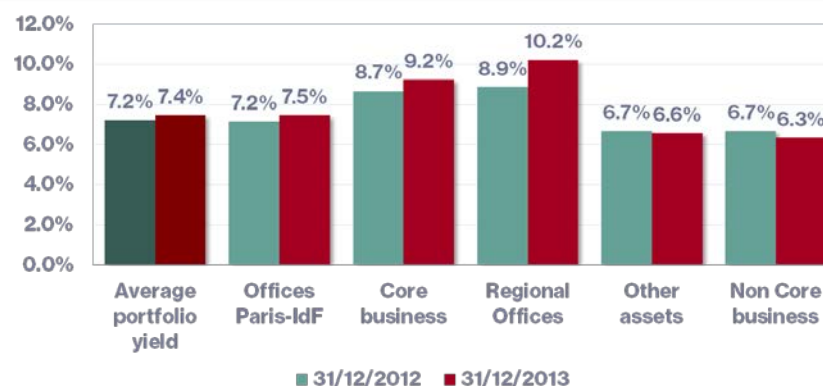
(**) EPRA yield (Net Initial Yield EPRA) : annual rent as at 31 December, adjusted for the rental concessions, net of service charges, divided by the portfolio valuation, transfer costs included



Portfolio EPRA yield by type of assets

EPRA topped-up yield*

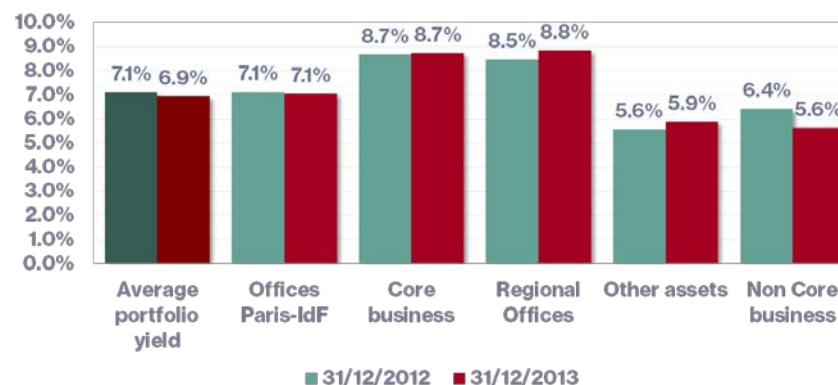
EPRA Topped-up yield	31/12/2013	31/12/2012
Average portfolio yield	7.4%	7.2%
Offices	7.5%	7.2%
Sorting centres	9.2%	8.7%
Light industrial - STE	10.2%	8.9%
Retail - Locafimo	6.6%	6.7%
Parcs Eiffel	6.3%	6.7%



(*) EPRA topped-up yield (Net Initial Yield EPRA topped-up) : annual rent as at 31 December, not adjusted for the rental concessions, net of service charges, divided by the portfolio valuation, tryearsfer costs included

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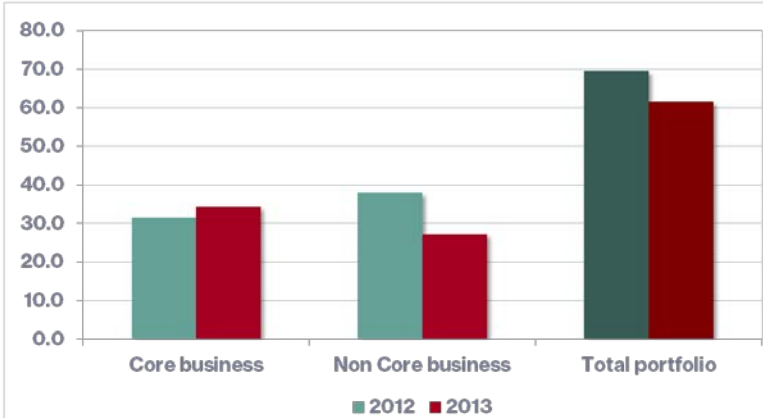
(**) EPRA yield (Net Initial Yield EPRA) : annual rent as at 31 December, adjusted for the rental concessions, net of service charges, divided by the portfolio valuation, tryearsfer costs included



Rental income variation by core/non-core portfolio

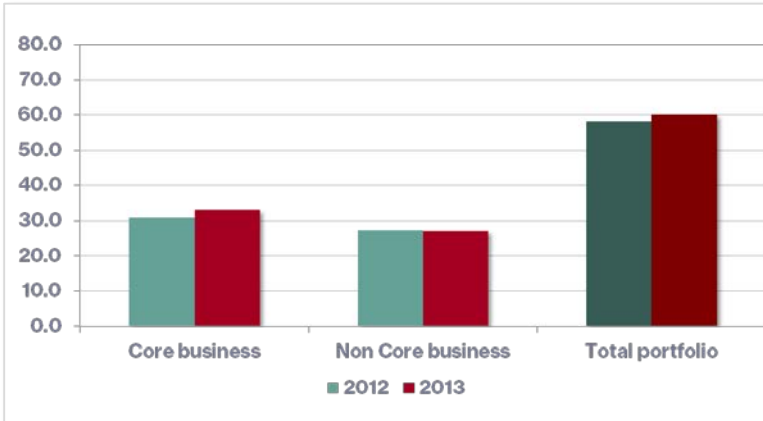
Portfolio IFRS value

in €m	2013	2012	Difference 2013/2012	en %
Offices Paris-IdF	34.2	31.5	2.8	8.8%
Core business	34.2	31.5	2.8	8.8%
Regional Offices	18.0	24.9	-6.9	-27.9%
Other assets	9.3	13.1	-3.8	-29.3%
Non Core business	27.2	38.0	-10.8	-28.4%
Total portfolio	61.5	69.5	-8.0	-11.5%



Portfolio IFRS value on a like-for-like basis 2013 - 2012

in €m	2013	2012	Difference 2013/2012	en %
Paris-IdF Offices	33.1	30.9	2.2	7.1%
Core business	33.1	30.9	2.2	7.1%
Regional Offices	17.8	17.3	0.5	2.9%
Other assets	9.3	10.0	-0.8	-7.8%
Non Core business	27.0	27.3	-0.3	-1.0%
Total portfolio	60.1	58.2	1.9	3.3%



LFL rents variation = +3.3%

Impact of disposals on rental income variation: -€ 11.3m

